

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

April 7, 2015 – 9:00 a.m.

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2016) - via telephone

PETER AMONS, Employee Representative (term expiring July 1, 2016) – via telephone

DAVID ROWLEE, Employee Representative (term expiring July 1, 2018) – via telephone

THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016) – via telephone

ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

none

Also attending:

Laurie Lanphear, Director of Retirement Operations

Joshua McCormick, assistant to Tina Kawecki

The Chairperson, Steven Jeffrey, called the Tuesday, April 7th, 2015, conference call meeting to order at 9:00 a.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of:

- February 25, 2015

On motion by Mr. Amons, seconded by Mr. Golonka, the Board unanimously voted by roll call to approve the minutes of February 25, 2015, as submitted.

ITEM 2: Discuss/Act on Disability Retirement for:

- Richard Kennison

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board voted unanimously by roll call to accept the recommendation of the Medical Review Board for the disability retirement for Richard Kennison, with a one year further review.

ITEM 3: Act of the following request to join VMERS:

- Town of Jay – effective 7/1/15
- Mettawee Community School (UD 47) – effective 7/1/15

On motion by Ms. Pearce, seconded by Mr. Rowlee, the board unanimously voted by roll call to allow the Town of Jay and Mettawee Community School (Union District 47), to join VMERS effective 7/1/2015.

ITEM 4: VMERS Experience Study

Ms. Pearce is asking the board to approve an experience study with Buck Consolidates for the experience year that is ending 2014. This study would be used to adjust 2015 Actuarial data on funding basis. She stated that the experience study is a little behind schedule but is hoping to get done by May/June. Ms. Pearce then refreshed the board about how the experience study works, including frequency, findings, and cost. The cost of this experience study was included in the latest budget request. Ms. Pearce stated that all three retirement systems did experience study's in 2010. The treasurer's office wants all three systems to do experience studies this year even though it is not required until 2015. Ms. Pearce wants to do this study early to have the interest rate assumption up to date. There are two methods in calculating the interest rate assumption, the Select & Ultimate method and the single rate of return method. Ms. Pearce stated that VPIC and the auditors are not fond of the Select & Ultimate method and prefer that the single rate of return method is used. The board discussed this. The board also requests that an agenda item be added to the April, VPIC meeting, entitled "Asset Allocation Strategy". Mr. Jeffrey stated that he would like all VMERS members to be given info on the date, time, and call-in info of the April VPIC meeting. The Treasurer's office will give this information to the board members.

On motion by Mr. Golonka, seconded by Mr. Amons, the board unanimously voted by roll call to authorize the Treasurer's office to execute a contract for an experience study with Buck Consolidates at the rate of \$16,200 as agreed to in contract.

On motion by Ms. Pearce, seconded by Mr. Golonka, the board unanimously voted by roll call to strongly favor directing the Actuary to change from Select & Ultimate method to the Single Rate of Return method to determine the interest rate assumption.

ITEM 5: Actuarial Census Data Audits

Ms. Pearce explained the new GASB 67/68 requirements to create uniform data. She then stated that the AICPA has developed rules for validating that found data at a local level. Like most of the country, Vermont could not use fiscal year 14 data due to timing issues. Fiscal Year 13 data valuation data was used. The Treasurer's office hired two law firms for this audit, Sullivan Power's & Company, and Melanson, Heath & Company. These law firms were hired due to their experience with municipalities. Ms. Pearce recommends using them again. Ms. Pearce stated another audit for FY 14 and FY 15 as GASB 67/68 requires an audit is done every two years. Ms. Pearce stated that FY 13 data will be rolled over to FY 15, then, FY 14 and FY 15 data would be validated.

On motion by Ms. Pearce, seconded by Mr. Golonka, the board unanimously voted by roll call to renew contracts with Sullivan Power's & Company and with Melanson, Heath & Company for doing required work for GASB 67/68 compliance.

ITEM 6: Legislative Update

Ms. Pearce stated to the board that the miscellaneous retirement bill was passed by the House and the Senate will be voting on the bill today. She then stated that there was one amendment added which was language to the VSERS disability process concerning disability cases with one

year review. Ms. Pearce also stated that a future agenda item "change to disability process" will need to be added to a future VMERS meeting.

ITEM 7: Representative Vacancy

Mr. Jeffrey will be retiring this summer and will need a replacement on the board. Paperwork will be given out to municipal employers to generate interest. If not done sooner, the VMERS board will need to meet by the end of June to decide who will replace Mr. Jeffrey on the board.

ITEM 8: Fair Haven Group Issue

Mr. Jeffrey thanked the retirement office for their hard work on getting all the information together for the board. Two employees for the town of Fair Haven have not been in the correct retirement plan group, group C.

On motion by Ms. Pearce, seconded by Mr. Rowlee, the board unanimously voted by roll call that they concur with the retirement staff that group C is conditional for employment for all non-union department heads hired after signed date of election.

On motion by Mr. Amons, seconded by Mr. Rowlee, the board unanimously voted by roll call to make these employees part of group C effective 4/1/2015, unless the employee states in writing by 6/1/2015 that they wish it to be retroactive in which case, the employee and employer will make necessary contributions to purchase that prior period on or before 6/30/2016.

ITEM 9: Any other business to come before the board

none

ITEM 10: Adjournment

On motion by Ms. Pearce, seconded by Mr. Amons, the Board unanimously voted by roll call to adjourn at 10:12 a.m.

Next Meeting Date:

None at this time.

Respectfully submitted,

Tina Kaweck
Secretary to the Board